

§ 2554.7

PROCEDURES LEADING TO ISSUANCE OF A COMPLAINT

§ 2554.7 Who investigates program fraud?

The Inspector General, or his designee, is the investigating official responsible for investigating allegations that a false claim or statement has been made. In this regard, the Inspector General has authority under the Program Fraud Civil Remedies Act and the Inspector General Act of 1978 (5 U.S.C. App. 3), as amended, to issue administrative subpoenas for the production of records and documents.

§ 2554.8 What happens if program fraud is suspected?

(a) If the investigating official concludes that an action under this Part is warranted, the investigating official submits a report containing the findings and conclusions of the investigation to a reviewing official. The reviewing official is the General Counsel or his or her designee. If the reviewing official determines that the report provides adequate evidence that a person submitted a false claim or statement, the reviewing official transmits to the Attorney General written notice of an intention to refer the matter for adjudication, with a request for approval of such referral. This notice will include the reviewing official's statements concerning:

- (1) The reasons for the referral;
 - (2) The claims or statements upon which liability would be based;
 - (3) The evidence that supports liability;
 - (4) An estimate of the amount of money or the value of property, services, or other benefits requested or demanded in the false claim or statement;
 - (5) Any exculpatory or mitigating circumstances that may relate to the claims or statements known by the reviewing official or the investigating official; and
 - (6) A statement that there is a reasonable prospect of collecting an appropriate amount of penalties and assessments.
- (b) If at any time, the Attorney General or his or her designee requests in writing that this administrative proc-

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ess be stayed, the authority head, as identified in § 2554.9 of this Part, must stay the process immediately. The authority head may order the process resumed only upon receipt of the written authorization of the Attorney General.

§ 2554.9 Who is the Corporation's authority head?

The Corporation's "authority head" is the Chief Executive Officer or his or her designee. For purposes of this Part, the Corporation's Chief Financial Officer is designated to act on behalf of the Chief Executive Officer.

§ 2554.10 When will the Corporation issue a complaint?

The Corporation will issue a complaint:

- (a) If the Attorney General (or designee) approves the referral of the allegations for adjudication; and
- (b) In a case of submission of false claims, if the amount of money or the value of property or services demanded or requested in a false claim, or a group of related claims submitted at the same time, does not exceed \$150,000. "A group of related claims submitted at the same time" includes only those claims arising from the same transaction (such as a grant, loan, application, or contract) which are submitted together as part of a single request, demand, or submission.

§ 2554.11 What is contained in a complaint?

- (a) A complaint is a written statement giving notice to the person alleged to be liable under 31 U.S.C. 3802 of the specific allegations being referred for adjudication and of the person's right to request a hearing with respect to those allegations. The person alleged to have made false statements or to have submitted false claims to the Corporation is referred to as the "defendant."
- (b) The reviewing official may join in a single complaint, false claims or statements that are unrelated, or that were not submitted simultaneously, regardless of the amount of money or the value of property or services demanded or requested.